




J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 16, 2005

TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **KEDREN COMMUNITY HEALTH CENTER CONTRACT REVIEW -
EPSDT**

We have completed a contract compliance review of Kedren Community Health Center (Kedren or Agency), a Department of Mental Health Services (DMH) service provider. This review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

Background

DMH contracts with Kedren, a private, non-profit, community-based organization, which provides services to children and their parent(s) countywide. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan. Our review focused on the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program, which is Medi-Cal's comprehensive and preventive child health program for individuals under the age of 21. Kedren's EPSDT billable services include Day Treatment Intensive, Mental Health Services, Medication Support Services, Targeted Case Management Services, and Crisis Intervention Services. Kedren's headquarters is located in the Second District.

For our review period, DMH paid Kedren \$109.05 for each day that a client participated in its Day Treatment Intensive program. DMH also paid between \$1.25 and \$2.68 per minute of staff time (\$75.00 and \$160.80 per hour). For Fiscal Year 2004-05, DMH contracted with Kedren to provide \$6 million in EPSDT funded services.

Purpose/Methodology

The purpose of the review was to determine whether Kedren provided the services outlined in their contract with the County. We also reviewed Kedren's billings and evaluated whether the Agency achieved planned service and staffing levels. Our monitoring visit included a review of a sample of Kedren's billings to DMH for June and July 2004, participant charts, and personnel and payroll records. We also interviewed staff from Kedren and interviewed a sample of the participants' parents, legal guardians, or social workers.

Results of Review

The parents or legal guardians of the program participants sampled stated that the program services the participants received met their expectations. In addition, the participants were eligible to receive services.

For 1,000 (10%) of the 9,662 service minutes sampled, Kedren did not maintain documentation to support the billings. The undocumented billings totaled \$1,864. In addition, the Agency did not sufficiently document 10 (100%) of the 10 service days, and 611 (13%) of the 4,866 service minutes sampled. For example, the Agency billed for Day Treatment Intensive services but the Daily Progress Note did not describe the activities in which the client participated. The insufficiently documented billings totaled \$2,262.

Review of Report

We discussed the results of our review with Kedren on August 9, 2005. In their attached response, Kedren indicates their plans for corrective action.

We thank Kedren management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Dr. John H. Griffith, President & CEO, Kedren Community Health Center
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT PROGRAM
FISCAL YEAR 2004-2005
KEDREN COMMUNITY HEALTH CENTER**

BILLED SERVICES

Objective

Determine whether Kedren Community Health Center (Kedren or Agency) provided the services billed in accordance with their contract with DMH.

Verification

We selected 4,866 minutes from 146,343 service minutes that Kedren billed DMH for June and July 2004 and reviewed the progress notes maintained in each client's chart. We also selected ten service days from 1,339 service days billed by the Agency during the same period and reviewed the Day Treatment sign-in sheets, staff timecards, and participant files for documentation to support the services billed. In addition, we reconciled an additional 4,796 service minutes billed to the progress notes and traced an additional 334 service days billed to the client attendance sheets to support the services billed.

The 9,662 minutes and 344 days represent services provided to 81 program participants as reported by the Agency.

Results

Generally, Kedren's client attendance sheets support the service days billed for its Day Treatment Intensive Program. We traced and agreed 334 of 344 (97%) of the billed service days to the client attendance sheets, which indicate that the clients were present at the program.

For 2,811 (29%) of the 9,662 service minutes sampled, Kedren did not maintain documentation in the program participants' case file to support the billings. Agency management subsequently provided progress notes for 575 (20%) of the undocumented service minutes and explained that the notes were misfiled. In addition, Agency management explained that 1,236 (44%) of the undocumented service minutes were the result of data entry errors that would have been corrected during the Agency's reconciliation process had DMH provided them with a report of billings. DMH management acknowledged that technical problems prevented DMH from providing Kedren a billing report prior to our review.

Kedren management did not provide documents to support the remaining 1,000 minutes that were billed to DMH. The undocumented billings totaled \$1,864.

Kedren also did not sufficiently document 10 (100%) of the 10 service days, and 611 (13%) of the 4,866 service minutes sampled. The insufficiently documented billings totaled \$2,262. The following are examples of billed services that were not sufficiently documented:

- For 10 (100%) of the 10 days sampled, the Agency billed for Day Treatment Intensive services but the Daily Progress Note did not describe the specific skill building groups, adjunctive therapies, and/or psychotherapy activities in which the client participated, as required by the County contract. In addition, the weekly summaries and daily progress notes did not document at least one contact with a legally responsible adult during the month, as required by the contract.
- For 286 (6%) of the 4,866 minutes sampled, the Agency billed DMH for Crisis Intervention Services, which has a higher billing rate than a regularly scheduled visit. However, the progress notes did not describe the acute psychiatric symptoms exhibited by the client that, if untreated, jeopardizes the client's ability to maintain community functioning, as required by the County contract.
- For 210 (4%) of the 4,866 minutes sampled, the Agency billed for Targeted Case Management Services but the progress notes did not describe the type of placement, consultation, and/or linkage, as required by the County contract.

Recommendations

Kedren management:

1. **Ensure that staff maintain sufficient documentation to support the billed services.**
2. **Repay DMH \$1,867 for the undocumented services billed.**

CLIENT VERIFICATION

Objectives

Determine whether the program participants actually received the services that Kedren billed DMH and whether participants were eligible to receive services.

Verification

We selected a sample of 10 program participants and interviewed one of their parents or legal guardians or their assigned social worker to confirm that the participants were clients of Kedren and that they received the services that the Agency billed DMH. We also reviewed documentation in the participants' charts to determine whether the participants were eligible to receive services.

Results

The parents, guardians, and social workers interviewed stated that the participants were clients of Kedren, and were satisfied with the services that the Agency provided to the children. In addition, documentation in the participants' charts supported their eligibility. We were unable to interview one participants' parent because the telephone number listed in the chart was not a working number. Agency management indicated that the family recently moved without leaving a forwarding number and the participant is no longer a client of the Agency.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS**Objective**

Determine whether the staffing ratio requirements are consistent with the ratio requirements indicated in the County contract. Contractors are required to maintain a 1:8 ratio of the number of Qualified Mental Health Professional (QMHP) staff to the total number of clients in its Day Treatment Intensive Program.

Verification

We selected 10 days that Kedren billed for its Day Treatment Intensive program and reviewed the client attendance sheet, staff roster and staff timecards for June 2004 and July 2004.

Results

For three (30%) of the ten days sampled, Kedren did not maintain a 1:8 QMHP to program participant ratio. According to the Day Treatment staff roster (roster), Kedren had a sufficient number of staff assigned to the Day Treatment program to meet the 1:8 requirement. However, the timecards for three of the staff listed on the roster indicated that the staff did not work those days.

Recommendation

- 3. Kedren management ensure that it adequately maintains staffing ratios for the Day Treatment Intensive Program in accordance with the County contract.**

STAFFING QUALIFICATIONS**Objective**

Determine whether Kedren's treatment staff had the required qualifications to provide the service.

Verification

We reviewed the personnel files for 50 of Kedren's 178 treatment staff and reviewed documentation to support their qualifications.

Results

Each staff person possessed the required qualifications to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether Kedren's reported service levels for Fiscal Year (FY) 2004-05 did not significantly vary from the service levels identified in the DMH contract.

Verification

We were unable to determine whether Kedren provided the service levels outlined in the County contract. DMH's new Information System (IS) had problems that prevented a significant portion of their billings from being processed. As a result, DMH's reported less service from Kedren than was actually provided. DMH management acknowledged that there were problems with the IS and indicated that they are correcting the problems.

Recommendation

There are no recommendations for this section.

KEDREN
ACUTE PSYCHIATRIC HOSPITAL
AND
COMMUNITY MENTAL HEALTH CENTER

4211 SOUTH AVALON BOULEVARD, LOS ANGELES, CALIFORNIA 90011
24 HOUR SERVICE: (323) 233-0425 □ FAX: (323) 233-5015

JAMES L. JONES, M.D.
(1926-1971)
Founder

JAMES M. WOODS, SR.
Emeritus

CELES KING, III
Emeritus

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Corporate Counsel

FRANK L. WILLIAMS, M.D.
Executive Vice President/
Medical Director

JOHN H. GRIFFITH, Ph.D.
President/CEO

August 30, 2005

Mr. Gregory F. Hellmold, CPA, CIA
Principal Accountant-Auditor
Countywide Contract Monitoring Division
Los Angeles County Department -
Auditor Controller
1000 S. Fremont Avenue, Unit 57
Alhambra, CA 91803-4737

Dear Mr. Hellmold:

Please find enclosed herewith Kedren's response to the Countywide Contract Monitoring Review of the Early and Periodic Screening, Diagnostic, and Treatment Program for Fiscal Year 2004-2005.

Kedren wish to thank you and the members of your team for working with us through the resolution of the audit discrepancies.

Please direct any arising questions to my attention.

I am,
Yours sincerely,



John H. Griffith, Ph.D.
President and CEO

JHG/ts

Enclosure

cc: Don Chadwick, Division Chief, Los Angeles County Department -
Auditor Controller



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President/CEO

August 30, 2005

TO: J. TYLER MCCAULEY, AUDITOR-CONTROLLER

FROM: JOHN H. GRIFFITH, PH.D., PRESIDENT AND CEO
KEDREN COMMUNITY HEALTH CENTER, INC.

SUBJECT: KEDREN COMMUNITY HEALTH CENTER CONTRACT
REVIEW

Kedren Acute Psychiatric Hospital and Community Mental Health Center (Kedren), hereby submits its response to the review conducted by the Los Angeles County, Department of Auditor-Controller, on November 3rd and 4th, 2004. The Review included Kedren's billing to the Department of Mental Health (DMH) for June and July, 2004, and was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

The Review occurred at a time when Kedren, together with three (3) other Mental Health providers, were participating in the DMH Integrated System (IS) pilot project. The IS presented, and continues to present, significant challenges, some of which resulted in data being transmitted late for one reason or another, amidst errors of omission, transmission, and duplication. Differences in the results and the interpretation therefore were addressed with the Review Team who met with Kedren and resolved many of the discrepancies found.

The DMH Integrated System (IS) continues to present challenges, which forced Kedren to utilize an alternative mode of data transmission to DMH through the Electronic Data Interface (EDI) System. This has resulted in a significant reduction in input errors and quicker resolution of billed services for the organization.

Kedren has also implemented a Utilization Management Program for outpatient and day treatment services. To ensure documentation address medical necessity for treatment, and bears consistency with units of time billed. A multidisciplinary committee will oversee the management of active caseloads for clinical accuracy and completeness.

The management team and clinical staff of Kedren thank the Review Team for working through and bringing resolution to the discrepant issues, but moreso, for their positive attitude, professionalism and helpfulness in answering questions posed throughout the audit process.

Kedren's responses to the three recommendations arising from the audit follow.



ISSUE #1

INSUFFICIENT DOCUMENTATION

The Agency did not sufficiently document 10 (100%) of the 10 service days, and 611 (13%) of the 4,866 service minutes sampled. The insufficiently documented billings totaled \$2,262. The following are examples of billed services that were not sufficiently documented:

- For 10 (100%) of the 10 days sampled, the Agency billed for Day Treatment Intensive services but the Daily Progress Note did not describe the specific skill building groups, adjunctive therapies, and/or psychotherapy activities in which the client participated, as required by the County contract. In addition, the weekly summaries and daily progress notes did not document at least one contact with a legally responsible adult during the month, as required by the contract.
- For 286 (6%) of the 4,866 minutes sampled, the Agency billed DMH for Crisis Intervention Services, which has a higher billing rate than a regularly scheduled visit. However, the progress notes did not describe the acute psychiatric symptoms exhibited by the client that, if untreated, jeopardizes the client's ability to maintain community functioning, as required by the County contract.
- For 210 (4%) of the 4,866 minutes sampled, the Agency billed for Targeted Case Management Services but the progress notes did not describe the type of placement, consultation, and/or linkage, as required by the County contract.

Kedren Community Mental Health Center Response

RECOMMENDATION #1

Ensure that staff maintain sufficient documentation to support the billed services.

In general, Kedren has been consistent in maintaining adequate documentation to support levels of care and clinical activities reflected in services billed. However, staff changes may have contributed to many of the missing elements in documentation found. To ensure that quality of care is provided continuously, Kedren has included behavioral documentation of medical necessity, treatment planning and outcome as ongoing inservice training for all clinical care providers. Additionally, Kedren has revised the format for the "Units of Time" (UOT) accountability (see Attachment One). Clinicians are now required to document time spent in direct contact separately from time spent in indirect contact. Additionally, units of time have been pre-coded consistent with time allocated for the different service activities to ensure that services billed are consistent with required interventions. Kedren has begun submitting data through the Electronic Data Interface (EDI) System rather than through the IS. This has significantly reduced the number of input errors. In addition, Kedren has introduced the

Utilization Management Committee for outpatient and day treatment services. The implementation of this program ensures that all active clinical records are reviewed every ninety (90) days for clinical accuracy and completeness.

- The clinical staff assigned to the Day Treatment Intensive Program were inserviced immediately following the exit conference, and information on Day Rehabilitation Services for children was discussed and distributed. Said information outlines all service requirements including contact with significant other, process groups, skills building and adjunctive therapies. Quarterly inservice updates will be conducted to ensure that all service providers maintain compliance with standards.
- The clinical notation for the 286 (6%) of the 4,866 units sampled for Crisis Intervention when further reviewed internally failed to meet the medical necessity requirements for that level of care. Consequently, these units were voided from the IS and are shown here in Attachment Two.

All clinicians have received training on medically necessity behavioral documentation to justify treatment and continued stay, behavioral documentation of medical necessity, treatment planning and behavioral interventions. Quarterly updates have been scheduled to ensure compliance with required standards.

- The clinical staff members providing Targeted Case Management Services were inserviced and given information on the documentation requirements for Targeted Case Management Services, including client and collateral contacts, as well as, those provided through case activity in the absence of the client or collateral contact. Quarterly inservice trainings will be conducted for all service providers to ensure compliance with standards.

Recommendation #2

Repay DMH for undocumented services billed.

Kedren plans to reconcile all deleted units with the Department of Mental Health at the final contract reconciliation conference for F.Y.'s 2003-2004, which is scheduled to take place in September 2005. In addition, Kedren will reconcile the 2004-2005 deletions at the interim settlement for referenced year at that time.

ISSUE #2

STAFFING LEVELS

Objective

Determine whether the staffing ration requirements are consistent with the ratio requirements indicated in the County contract. Contractors are required to maintain 1:8 ratio of the number of Qualified Mental Health Professional (QMHP) staff to the total number of clients in its Day Treatment Intensive Program.

Verification

The Review Team selected 10 days that Kedren billed for its Day Treatment Intensive Program and reviewed the client attendance sheet, staff roster and staff timecards for June 2004 and July 2004.

Results

For three (30%) of the ten days sampled, Kedren did not maintain a 1:8 QMHP to program participant ratio. According to the Day Treatment staff roster (roster), Kedren had a sufficient number of staff assigned to the Day Treatment Program to meet the 1:8 requirement. However, the timecards for three of the staff listed o the roster indicated that the staff did not work those days.

Recommendation #3

Kedren management ensure that it adequately maintains staffing ratios for the Day Treatment Intensive Program in accordance with the County contract.

Kedren's Response

Kedren continues to maintain the required 1:8 staff to patient ratio for the Day Treatment Intensive Program. Qualified staff has been identified to provide support services during those times that the regular Day Treatment staff members are unavailable. Said personnel will be added to the staff roster when requested to provide such services, providing these services do not conflict with those they deliver to other designated program.

Attachment One

PROGRESS/MEDICATION NOTES (Circle the type of visit)

DATE: Mo Day Yr.

ACTIVITY CODE PT. File No. PATIENT'S NAME

Face-to-Face Duration of Service	Other	Total	
THERAPIST SIGNATURE			DISCIPLINE
SERVICE LOCATION:			<input type="checkbox"/> Office
			<input type="checkbox"/> Field
			<input type="checkbox"/> Jail

All service provided on site unless otherwise specified.

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ATTACHMENT TWO

**KEDREN COMMUNITY HEALTH CENTER
BILLED SERVICES FIELDWORK FINDINGS
FISCAL YEAR 2004-05
RESPONSE**

No.	Claim ID Number	Client Number	Patient Name	Date of Service	Units of Service	Overbilled UOT	Procedure Code	Reporting Unit	Service	
17	H708071989	████	████	2004-07-23	240	44.60	90889	7080	MHS	Voided
29	H708073086	████	████	2004-07-08	260	478.40	90887	7080	MHS	Voided
30	H708074146	████	████	2004-06-16	300	552.00	90801	7080	MHS	Voided
40	H708069980	████	████	2004-06-30	75	201.00	90862	7080	MED	Voided
56	H708071960	████	████	2004-07-06	60	75.00	T1017	7080	TCMS	Voided
63	H708071572	████	████	2004-06-24	90	164.70	99361	7080	MHS	Voided
65	H708068993	████	████	2004-06-01	180	331.20	H2015	7080	MHS	Voided
68	H708073744	████	████	2004-06-29	120	220.80	H2015	7080	MHS	Voided
71	H708068913	████	████	2004-06-22	120	220.80	90808	7080	MHS	Voided
72	H708068914	████	████	2004-06-22	120	220.80	90808	7080	MHS	Voided
89	H708070406	████	████	2004-06-10		357.00	H2011	7080	C.I.	Voided
90	H708067853	████	████	2004-06-16	1	1.84	90887	7080	MHS	Voided
97	H708073266	████	████	2004-07-07	60	110.40	H2015	7080	MHS	Voided